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150601Z Apr 04

UNCLAS ANKARA 002158

SIPDIS

STATE FOR E, EB AND EUR/SE
TREASURY FOR OASIA
DEPT PLEASE PASS USTR FOR LERRION
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E.O. 12958: N/A

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SUBJECT: GOT RESPONDS POSITIVELY ON QIZ, BUT SEEKS
CHANGE IN DRAFT LEGISLATION

Ref: (A) STATE 9981 (B) Ankara

1. The GOT sent an official, positive response via diplomatic note (see para 2) to ref A points on whether to proceed with consultations with the Congress on Qualifying Industrial Zones (QIZ) legislation. The dipnote requests that the QIZ bill drop the clause allowing the U.S. side to exclude additional sensitive products, which are not explicitly mentioned in the bill, from the scope of the QIZ.

2. Begin text of MFA Note No. 2004/EIGY/100158

The Ministry of Foreign Affairs of the Republic of Turkey presents its compliments to the Embassy of the United States of America and with reference to the latter's Note No: 55, dated 20 January 2004, has the honor to present herewith a response to the U.S. paper on the QIZ issue.

The Ministry of Foreign Affairs of the Republic of Turkey avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Ankara, April 13, 2004

Enclosure:

The Turkish Government expects the U.S. Administration to take the necessary steps vis-a-vis the Congress to finalize this long-standing issue.

The exclusion of textiles, apparel and leather products will already minimize the export benefits to be expected from a QIZ scheme for Turkey.

Therefore it is imperative that at least the "any other sensitive item to be declared by the President" phrase should be deleted from the proposed formulation, as this might constitute a striking deterrent for the investment dimension.

End text dipnote.

Edelman